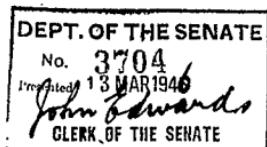


1946



THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

TENTH REPORT

of the

PARLIAMENTARY STANDING COMMITTEE ON BROADCASTING

relating to

NATIONAL PROGRAMME ADMINISTRATION

Canberra. 11th. March. 1946.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE

ON BROADCASTING.

(Seventeenth Parliament)

Chairman Senator Stanley Kerin Amour (a)
Vice Chairman The Honourable Jesiah Francis, M.P. (b)

Senate.

Senator the Honourable
Herbert Hays (c)
Senator Richard Harry
Nash (c)

House of Representatives.

George James Bowden, M.C., M.P. (b)
William George Bryson, M.P. (b)
Cyril Chambers, M.P. (b)
The Honourable James Allan Guy, M.P. (b)
David Oliver Watkins, M.P. (b)

(a) Appointed 30th September, (b) Appointed 14th October, 1943
1943.

(c) Appointed 14th September, 1944.

NOTE:- The late Senator Richard Darcey ceased to be a member of
the Committee when his term as Senator expired on 30th June,
1944. Senator the Honourable Allan Nicholl MacDonald resigned
from the Committee on 20th July, 1944. They were succeeded by
Senators Hays and Nash.

NATIONAL PROGRAMME ADMINISTRATION.

The question for determination is whether there should be an enquiry by an appropriate authority into the costs of personnel and administration of the Australian Broadcasting Commission. As this question has been in abeyance for about four years, it is fitting to begin this report with a statement of the principal happenings affecting the matter during that time.

Explanation of Delay.

2. The question originally arose from investigations by the 1941-42 Joint Parliamentary Committee on Broadcasting, which, in its report to Parliament in March, 1942, recommended that such an enquiry should be held.

3. A decision had not been given up to the time when the first Parliamentary Standing Committee on Broadcasting was appointed under the Australian Broadcasting Act, which came into operation in July, 1942, and the matter was referred to that Committee for further consideration.

4. In June, 1943, the Committee submitted an interim report, based on evidence which had been heard up to 2nd March, 1943, recommending that in the interests of harmonious relationships in the Commission's service, the powers of its managerial and functional executives should be comprehensively defined, and that before the delegated powers were finally decided upon the Commission should reconsider the desirability of modifying its centralisation policy. The Committee indicated that when the powers had been defined it was proposed to discuss their significance with the Commission before reaching a conclusion on the question whether it was desirable and expedient, under existing conditions, to proceed with the investigation which had been recommended by the 1941-42 Joint Committee.

5. In July, 1943, on the dissolution of the Sixteenth Parliament, the members of the first Standing Committee automatically ceased to hold office.

6. In October, 1943, the appointment of members of the Standing Committee of the present Parliament was completed, and, in conformity with legal requirements, this matter, among others, was remitted to us by the Postmaster-General on the 15th of that month, in the following terms:-

"You will be aware that a number of matters which were referred to the Parliamentary Standing Committee on Broadcasting in accordance with the terms of section 85(1) of the Australian Broadcasting Act, had not been brought to a conclusion prior to the dissolution of the last Parliament.

"As it is necessary for fresh references to be made of matters not completed by the old Parliamentary Standing Committee on Broadcasting, I hereby refer to the new Committee, for consideration and report, the following:

....

(b) Proposed enquiry by an appropriate authority into the costs of personnel and administration of the Australian Broadcasting Commission,
(Recommendation No. 16 of the Joint Parliamentary Committee on Broadcasting)

....

"May I invite your attention to the stipulation in section 83 of the Australian Broadcasting Act that evidence already taken by a Standing Committee on any subject shall be considered by any subsequent Committee to which the matter is referred for report."

7. In November, 1943, we sought advice from Sir Harry Brown on certain principles of organisation.

8. In December, 1943, we received copies of a lengthy directive which the Commission had decided to circulate to the senior members of its staff for their guidance as to their duties and relations among themselves.

9. In January, 1944, we heard the Commission's views on the significance of the directive and on the need for the type of organisation which had been evolved from experience.

10. At that stage we decided to reach finality on certain matters of more immediate importance, especially as some of them had a more or less direct bearing on the question of an enquiry into the Commission's administration. These matters were (a) additional funds for the Commission, (b) the question of increasing its powers by amendments of the Broadcasting Act, (both of which were dealt with in the Standing Committee's Third Report dated 22nd February, 1944), (c) the broadcasting of news (dealt with in the Committee's Fourth Report dated 13th March, 1944), and (d) the proposed Australian Broadcasting Commission (Staff) Regulations (dealt with in the Committee's Seventh Report dated 25th April, 1945).

11. We also felt that our investigations would be incomplete without consultation with all the Commission's State Managers, as they were particularly affected by the directive; and we decided to confer with them when visits to their States became necessary in the course of hearings on other matters under reference to us. Opportunities for these consultations occurred in April, 1944, (Hobart) May, 1944, (Melbourne), October, 1944, (Brisbane), October 1945, (Adelaide), November, 1945, (Perth), and December, 1945, (Sydney).

12. In the meantime, in February, 1945, we heard further evidence from the Chairman of the Commission concerning specific complaints of over-centralisation of its activities. On that occasion issues were raised which made it desirable to elicit evidence on the aspect of justification for the expenditure incurred by the Commission in relation to allegations that its programmes only attract about 20% of Australian potential listening audiences. We availed ourselves of opportunities to secure such evidence at hearings on other matters in Adelaide, Perth, Sydney, and Melbourne during the closing months of 1945. These hearings could not be arranged earlier owing to the restrictions imposed by section 80(2) of the Broadcasting Act, on our holding sittings while Parliament is in session.

13. Finally, in view of comparatively recent changes in the personnel of the Commission, we deemed it proper to have discussions on all aspects of the subject with the Chairman of the newly constituted body. These discussions took place at the end of November, 1945.

Complaints of Over-centralisation
and Friction

14. The main criticism of the Commission's organisation in 1941-42 was founded on complaints of over-centralisation and allegations of friction due to methods of procedure under which minor executives could issue instructions to officials of higher status.

15. With the object of securing independent advice on the principles underlying this criticism, we conferred, in November, 1943, with Sir Harry Brown, Managing Director of the British General Electric Company, and, at the time, Co-ordinator General of Public Works. As is well known, he was formerly the Director-General of Posts and Telegraphs and in that capacity was closely associated with the Australian broadcasting system for many years before and after the establishment of the Australian Broadcasting Commission.

16. Sir Harry informed us that the Commission's organisation had been the subject of lengthy and frequent discussions with the first Chairman (Mr. Lloyd Jones) and the second Chairman (Mr. Cleary). The conclusion had been reached that the Commission needed a very comprehensive centralised establishment, and that it must become specialised under centralised groups of experts, the only way in which an organisation with highly skilled people giving their services could be satisfactorily directed and controlled, as had been evidenced in the controlling body in the Central Administration of the Post Office, the Railways and in practically all Government Departments.

17. On the aspect of friction, Sir Harry pointed out that it is quite a common practice for junior officers to be the medium of conveying instructions to senior officers on behalf of the head of an organisation and, in principle, with his authority. Being experts in their particular domain, these subordinates carry out what they know to be the policy of their chief, and if any friction arises it is nearly always due to personalities, demonstrable in lack of tact in the method of issuing the instruction or in the form of approach to the senior official.

The Commission's Organisation

18. In a discussion with the Chairman of the Commission in January, 1944, it was explained that the Commission needs two main kinds of capacity in its officers, - first, managerial capacity for a geographical area, and second, specialised artistic or professional qualifications to determine the standards of a particular department of broadcasting for the whole of the Commonwealth. Hence there is a division which is not uncommon in national businesses, on geographical and on functional lines.

19. Elaborating this need, the Chairman explained that each State manager is responsible generally for the conduct of the operations in his State and for the disciplining of the staff. Just as the whole problem of the Commission is music, drama, talks and so on throughout the Commonwealth, so each State manager is dealing in each of those functions or departments of broadcasting in the area under his jurisdiction. If the State Branches were independent entities and could function exclusively within their own boundary, the State manager would in effect be the general manager for the State and would have to determine all questions relating to the standards of programmes. He would have control of the specialist officers such as musicians, play producers and the like and he would not be concerned with what was happening in other States. But because the geographical boundaries evaporate in broadcasting, it is impossible to put the State activities in "air-tight" compartments. Apart from the differences of opinion which would arise in obtaining programmes from other States, a standard in one State might become unwarrantably higher than that in another State, and in addition there might be a lack of co-operation between States. Moreover, Commonwealth supervision of professional, technical and artistic standards is necessary, because of costs.

20. In further justification of its organisation, the Chairman said that in the early days of broadcasting there was far too much independence in the States, resulting in extraordinary anomalies and great wastage, duplication and multiplication of materials and inconsistencies as to standards of artists etc.

21. A federal organisation having been established to correct these disadvantages, it became necessary to evolve means of reconciling the geographical and functional spheres of authority. Initially the Commission's policy was to give the various executive officers an opportunity to 'shake down and adjust matters between themselves', but in 1943, after lengthy consultations with the officials concerned, the Commission decided to issue a comprehensive directive to the senior members of the staff, defining their responsibilities and lines of authority in programme planning and production, the object being, as explained in the directive, "to avoid delays and arguments such as too often have hindered the good broadcasting of which our organisation is capable".

22. The directive shows that under the general manager at Federal headquarters there are divisional heads designated 'controllers', under each of whom there are various departments, the heads of which (with some exceptions) are given the title of 'directors'.

23. In each State there is a replica of the federal organisation with departments functioning under local directors or supervisors under the general control of the State Manager.

24. Generally speaking, all communications between Federal and State Departments are transmitted through the State manager concerned, to ensure that decisions on programme or administrative business are not made without his knowledge; but in matters of day-to-day detail there is direct communication between Federal and State functional executives.

25. In affairs which are within the province of the controllers of divisions or directors of head office departments, the State manager and/or his officers consult with, and normally accept directions from, the controllers or directors according to the importance of the matters at issue. Where there is a difference of opinion, reference is made to the general manager.

26. In regard to Federal-State relationships generally, and the effect of the Commission's centralisation policy on the use of local talent in the various States, the directive sets forth the following principles:-

"The development of broadcasting throughout the world has been towards network operation, towards the pooling of resources in order to ensure to listeners everywhere broadcasts of the highest possible standards of entertainment and authority.

For years vast national networks have predominated in United States radio. Before the war Britain had a Home network; then, overnight, the alternative regional system went overboard and a second network (Forces) came into being and has been so successful that it will almost certainly continue when peace comes.

This rationalisation in broadcasting seems inevitable in Australia, where the Commission operates a national network over the full spread of broadcasting hours and for some part of the time also links what are normally its State alternative stations in a second network. The organisation of commercial radio towards networks is too obvious to need emphasis.

It is to be expected that the need for economical use of the comparatively limited pool of talent resources in Australia and competition for these resources and for the audiences will inevitably bring networks into the fullest use. This would mean a full-time alternative network for the Commission.

It is a fallacy that network operation inevitably leads to centralisation of talent in one location. Obviously networks, being a national operation, must have a planning and control headquarters, but this planning and control should be aimed at

marshalling the finest possible programmes from all the sources in the country and for the benefit of all the listeners in the country.

The B.B.C. programmes are controlled and planned in London, but a great part of them comes from Manchester, Glasgow, Birmingham, Bangor and Belfast.

The four big U.S. networks, the N.B.C., the Blue, the Columbia, and the Mutual, have their headquarters in New York but, almost unlimited though the resources of this great city are, a great many of the most successful programmes come into the networks from Chicago, Hollywood, Philadelphia, Washington.

Restricted lines facilities will delay the operation of a complete alternative network by the Commission, but it is essential that we should gear our programmes and their administration to such a probable development. There must be centralised control. At the same time there should be the fullest observance of other realities in broadcasting - the need for variety, for stimulating creative work among writers, producers and musicians, not merely in one or two places, but throughout the Commonwealth. While we must plan and control in one headquarters we must, so far as the geographical placement of resources makes it possible, widely disperse the actual task of producing broadcast programmes."

27. The Commission has described to us in detail the duties of the officials comprising its central office and has given us an impressive account of the scope and utility of their work. It has been emphasised that the central staff consists basically of planning and co-ordinating personnel and is the minimum necessary for effective administration of the Commission's activities. For a number of years the organisation has been working under great difficulties, due to transfer of personnel to the Defence Force and corresponding dependence on temporary staff.

28. The principal author of the complaints of over-centralisation and friction was at one time manager of the Commission's activities in one of the States. It is stated that although he was the senior officer in the Commission's service he was superseded on two occasions for the position of general manager. He made the complaints of over-centralisation and friction in evidence publicly tendered in January 1942, - four years after he had left the Commission. In evidence given to the Standing Committee of the previous Parliament in November 1942, the then Chairman of the Commission described him as a disgruntled former employee and contended that his evidence should be as suspect as that of certain former employees of the British Broadcasting Corporation who had made bitter attacks on that body after they had left its service.

29. We have considered the evidence in question on its merits, but we are not in a position to determine whether that evidence was consciously or subconsciously influenced by the witness's dissatisfaction at having been passed over for promotion while in the Commission's service. All we can say on that aspect is that there will be no reasonable grounds for any similar dissatisfaction in the future if Parliament adopts the recommendation made in paragraph 161 of our Seventh Report, in which we advocated provision in the Commission's Staff Regulations for the constitution of a special tribunal with an independent chairman to deal with appeals of senior officers in connection with promotions.

An Inadequate Prima Facie Case

30. As noted above, the complaints of over-centralisation and friction were made in respect of a period during which it was the Commission's policy to look to the staff to adjust matters between themselves. The comprehensive directive since issued not only defines the lines of authority delegated to the staff, geographically and functionally, but also explains the reasons underlying the Commission's organisation and provides a means of definite settlement of differences of viewpoint among the executives concerned.

31. In these circumstances, and being assured that the degree of centralised control maintained will not prejudice the use of local talent in the various States, we feel confident that our colleagues of the 1941-42 Committee would agree with us that, in the altered situation and on the information in our possession, it would be difficult to establish now an adequate *prima facie* case warranting the work and expense involved in engaging an expert to conduct the detailed investigation proposed some four years ago under the then prevailing conditions; or at least that they would agree with us that it would not be expedient to conduct such an enquiry at the present time in view of the extent to which the Commission's trained staff, particularly in key positions, has been depleted, not only by transfers to the Defence Forces but by inducements to leave the Commission's service for much more highly remunerated employment in the service of commercial broadcasting stations.

"Reform from Within"

32. The Commission's directive to its senior staff has been in operation for nearly three years. Before it was issued the administrative procedure admittedly gave rise to a certain amount of irritation, argument and confusion as to responsibilities, but since its circulation every State Manager agrees that the organisation has been functioning smoothly.

33. It may be, however, that later on, after the provision of adequate studios and orchestras in each State, some further delegations of authority to State Managers, or to one or more of them will be called for from time to time. In that event, it has been shown that the periodical conferences of State Managers afford excellent opportunities for the initiation and discussion of suggestions in that direction, on the "reform from within" principle. These officials have no reason to fear that constructive criticism on their part will not be welcomed at headquarters. On the contrary, in the course of our discussions, the Chairman of the Commission volunteered an assurance that there would be no risk of victimisation of any Manager whose experience might impel him to advocate modifications in the attitude of the central administration. In any case, as noted above, safeguards against any such victimisation will be provided by the right of appeal to an independent tribunal, as recommended in our Seventh Report concerning the Commission's staff Regulations.

Programme Policy

34. On the question whether there is justification for the expenditure incurred by the Commission on the types of programmes it presents, bearing in mind the allegation that only about 20% of listeners hear them, it may be said from the available evidence that there are three divisions of opinion on programme policy.

35. At one extreme there are those who believe that the national service should be reserved almost exclusively for the aesthetic and intellectual enjoyment of listeners who have been described as "the cultured few" and that, if necessary, the Commission could reduce its costs by curtailing its hours of service and more or less vacating the field of light entertainment.

36. At the other extreme are those who appear to regard broadcasting almost exclusively as a medium of light entertainment, of a type which fosters a taste for poor standards of music and art.

37. Between these two extremes are those who hold that the national service, as its name implies, should provide fairly and reasonably for the tastes of all listeners, with a long-range aim of raising the general level of appreciation of programmes which make a demand upon respect for truth, good thought, fine music and fine plays. Broadly speaking, that has been the Commission's policy. Needless to say, it has been criticised from all quarters from time to time, but there is abundant evidence that it has achieved a very substantial measure of success, despite the verdicts of

limited listener research surveys. "Our experience has been", the Chairman says, "that the creation of public taste is not merely an aspiration of the Commission but is actually an achievement. In respect of music particularly there is a pronounced upward trend in the demand for better types of musical sessions".

38. In our final discussions with the Chairman on this subject towards the end of November, 1945, we learned that the Commission had decided upon a wider application of its policy by means of a major change in programme arrangements. This change, which holds promise of accelerating the success of its long-range objective, is best described in the Chairman's own words:-

"We have decided to run two sets of programmes; we have two sets of transmitters. We intend to broadcast one programme which will be a quality job right through; it will be weighted heavily with quality and service. It will be a unique programme to which a person will be able to tune in and find something of quality artistically and mentally. We propose to call that the National Programme. The other programme, which is to be called the Interstate Programme, will be lighter than the present National Programme. We propose to broadcast two programmes of distinctive quality and we hope to be in a better position to cater for the popular taste in the light entertainment field in the future. But all the time we shall have in mind that we are not putting over a programme which will be all entertainment. We shall insert into it some of the best of our service and quality items but not to the degree that the National Programme at the moment does. It will be lighter than the National Programme, whilst the new National Programme will be heavier than the National Programme is now. We shall give a news service on both sets of transmitters, but in respect of such matters as classical music and musical criticism the heavier type of thoughtful talks will be broadcast over the new National Programme. We hope to recruit, through the Interstate Programme, audiences to listen to our National Programmes."

39. It may be anticipated that the proposed change will evoke protests in certain quarters, but under the competitive system of broadcasting in Australia, and having regard to the fact that the public directly subscribes over £1,500,000 per annum in licence fees for the maintenance of the national service, there is a lot to be said for a policy which, without descending to low levels of alleged popular taste, seeks to attract audiences by justifiable means, with the ultimate object of inducing wider recognition of the value of what he called, simply, "the finer things".

40. During our investigations several suggestions affecting particular types of programme items were brought to our notice. These included references to the size and personnel of the Commission's orchestras in the various States; the extent to which more choral music should be featured; the recording of ~~celebrity~~ ~~concerts~~ in the eastern States so that they may be rebroadcast in Western Australia at intervals; the attraction of more listeners to the Commission's programmes by publicising special features in a manner which might arrest attention to a greater degree than radio announcements, e.g., through the medium of cinema advertisements; and the holding of an "Eisteddfod of the Air".

41. We brought these matters to the notice of the Commission for determination by that body under the powers conferred upon it by the Broadcasting Act, and it will be gratifying to all concerned to learn that the Commission is favourably disposed to adopt some of the ideas as soon as circumstances permit.

Listener Research

42. With regard to the extent to which the national service is patronised, there are two commercial organisations in Australia which regularly conduct investigations relating to listeners' interest in various programmes. Both claim that their figures are reliable, but both reach different conclusions.

43. The British Broadcasting Corporation has a listener research organisation of its own, and some time ago the Australian Broadcasting Commission contemplated the establishment of a similar organisation at an estimated cost of £15,000 per annum, but more pressing demands on its resources for other purposes made it necessary to defer a decision on that proposal. In the meantime, the Commission is subscribing to the two commercial organisations, its expenditure on their reports last year having been £2,200.

44. We agree with the Commission that the investigations of each of the two commercial organisations in Australia would have to cover a much wider field before their conclusions could be accepted as an adequate indication of the ratio of listeners to the national programmes. For instance, these organisations' surveys have not taken account of country listening, which is probably greater in volume than is city listening, due to the fact that the attraction of other interests in the country is considerably less than in the city. Another serious defect in these surveys, which are based on a house-to-house canvass in selected areas, is the omission to take cognisance of mass listening to such sessions as "Music While you work", "The Hospital Half Hour", and broadcasts to schools (which are conservatively estimated to have an audience of 300,000 children).

45. Useful as adequate listener research may be for some purposes, we support the Commission's opinion that it has a responsibility (to quote Mr Chairman's words) "not merely to pursue fleeting indications of public approval, but to do something towards presenting better material for public approval; in other words there is taste-making as well as taste-meeting. This is where, in the Commission's view, too great attention and significance can be paid to Gallup polls and listener research reports".

46. Incidentally, the Commission's attitude is in line with that of the British Broadcasting Corporation, on whose behalf a responsible official has said:-

"The B.B.C. is highly sensitive to the needs and wishes of its public, and regards its Listener Research Department as performing an indispensable function in the business of broadcasting; at the same time it is equally sensitive of its obligation to lead, rather than to follow, public taste."

47. Whatever an adequately conducted survey of listeners' preference might disclose, there can be little doubt that when the change of programme arrangements decided upon by the Commission is brought into operation, there will be a substantial increase in the number of its patrons. This is as it should be in a publicly-owned instrumentality, financed by the community for the dual purpose of broadcasting enlightenment and entertainment for the common good and of inducing nation-wide appreciation of the finer things of life, thereby assisting, as the Commission has pointed out, to build Australians into a race of thoughtful people of the good taste and behaviour consciousness in a model democracy.

Conclusions

48. On the evidence before us, our conclusions are :-

(a) In view of the acute financial, staffing and accommodation difficulties to which the Commission was subjected during the war, and from which it has not yet recovered, it would be unfair to impose upon it at the present time the vast amount of staff work which would be involved in a minute enquiry into its past and present administration by an outside investigator.